IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

| SECURTITES AND EXCHANGE § | |
|---|---------------------------|
| COMMISSION, § | |
| Plaintiff, § | |
| § | |
| v. § | |
| § | |
| CHRISTOPHER A. FAULKNER, § | |
| BREITLING ENERGY CORPORATION, § | Case No.: 3:16-cv-01735-D |
| JEREMY S. WAGERS, § | |
| JUDSON F. ("RICK") HOOVER, § | |
| PARKER R. HALLAM, § | |
| JOSEPH SIMO, § | |
| DUSTIN MICHAEL MILLER § | |
| RODRIGUEZ, BETH C. HANDKINS, § | |
| GILBERT STEEDLEY, § | |
| BREITLING OIL & GAS CORPORATION, § | |
| CRUDE ENERGY, LLC, § | |
| PATRIOT ENERGY, INC., § | JURY TRIAL DEMANDED |
| Defendants, § | |
| § | |
| and § | |
| | |
| TAMRA M. FREEDMAN \$ JETMIR AHMEDI \$ | |
| JETMIR AHMEDI § | |
| § | |
| Relief Defendants. § | |
| Relief Defendants. § | |
| § | |

<u>DEFENDANT BREITLING ENERGY CORPORATION'S ANSWER TO</u> PLAINTIFF'S FIRST AMENDED COMPLAINT

Defendant Breitling Energy Corporation ("BECC"), by and through its counsel of record, hereby files this First Amended Answer to the First Amended Complaint ("First Amended Complaint") of Plaintiff, Securities and Exchange Commission ("Commission") as follows:

PLAINTIFF'S SUMMARY OF FACTS

A. ADMISSIONS & DENIALS

INTRODUCTION: Defendant denies the allegations contained in the Introduction of the Complaint.

- 1. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 1, and therefore denies same.
- 2. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 2, and therefore denies same, particularly denying that it assisted in any fraudulent activity as set forth in Paragraph 2.
- 3. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 3, and therefore denies same.
- 4. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 4, and therefore denies same.
- 5. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 5, and therefore denies same.
- 6. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 6, and therefore denies same.
- 7. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 7, and therefore denies same.
- 8. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 8, and therefore denies same.
- 9. BECC admits the allegations that Jeremy Wagers is a Texas attorney who joined BOG in 2012. Otherwise, BECC denies the remainder of all of the allegations of Paragraph 9.

10. BECC denies the allegations set forth in the first sentence of Paragraph 10. BECC lacks sufficient knowledge or information to form a belief about the truth of the remainder of Paragraph 10, and therefore denies same.

- 11. BECC denies each and every allegation of the second and third sentences of Paragraph 11. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 11, and therefore denies same.
- 12. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 12, and therefore denies same.
- 13. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 13, and therefore denies same.
 - 14. BECC denies the allegations of Paragraph 14.
- 15. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 15, and therefore denies same.
- 16. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 16, and therefore denies same.
- 17. BECC denies the allegations of the sixth sentence of Paragraph 17. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 17, and therefore denies same.
- 18. BECC denies each and every allegation of the third sentence of Paragraph 18. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 18, and therefore denies same.

- 19. BECC denies the allegations of Paragraph 19.
- 20. Paragraph 20 contains conclusions of law and self-serving statements, rather than allegations of fact, to which no answer is required. In so far as an answer is required, BECC denies all allegations and/or legal conclusions contained in Paragraph 20 of the First Amended Complaint.

JURISDICTION AND VENUE

- 21. BECC admits that the Court has subject matter jurisdiction over this matter.
- 22. BECC admits that the Court has personal jurisdiction over it. Without waiving its right to assert that another venue is more appropriate, BECC admits that the Northern District of Texas, Dallas Division, is a proper venue.

DEFENDANTS

- 23. BECC denies the second sentence of paragraph 23. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 23, and therefore denies same.
 - 24. BECC admits the allegations of Paragraph 24.
- 25. BECC admits the allegations set forth in the second sentence of Paragraph 25. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 25, and therefore denies same.
- 26. BECC admits the allegations of the third sentence of Paragraph 26. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 26, and therefore denies same.
- 27. BECC denies the allegations of the fourth sentence of Paragraph 26. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph

27, and therefore denies same.

- 28. BECC specifically denies the allegations of the fourth sentence of Paragraph 28. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 28, and therefore denies same.
- 29. BECC denies the allegations of the fifth sentence of Paragraph 29. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 29, and therefore denies same.
- 30. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 30, and therefore denies same.
- 31. BECC denies the allegations of the second sentence of Paragraph 31. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 31, and therefore denies same.
- 32. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 32, and therefore denies same.
- 33. BECC denies the allegations of the fifth sentence of Paragraph 33. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 33, and therefore denies same.
- 34. BECC denies the allegations of the fourth sentence of Paragraph 34. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 34, and therefore denies same.

RELIEF DEFENDANTS

35. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 35, and therefore denies same.

36. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 36, and therefore denies same.

RELATED ENTITY

37. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 37, and therefore denies same.

STATEMENT OF FACTS

- 38. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 38, and therefore denies same.
- 39. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 39, and therefore denies same.
- 40. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 40, and therefore denies same.
- 41. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 41, and therefore denies same.
- 42. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 42, and therefore denies same.
- 43. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 43, and therefore denies same.
- 44. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 44, and therefore denies same.
- 45. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 45, and therefore denies same.

Misrepresentation in BOG's offering documents about use of investor funds

- 46. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 46, and therefore denies same.
- 47. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 47, and therefore denies same.
- 48. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 48, and therefore denies same.
- 49. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 49, and therefore denies same.
- 50. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 50, and therefore denies same.
- 51. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 51, and therefore denies same.
- 52. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 52, and therefore denies same.
- 53. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 53, and therefore denies same.
- 54. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 54, and therefore denies same.

BOG sold interests it did not own

- 55. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 55, and therefore denies same.
- 56. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 56, and therefore denies same.

BOG failed to segregate investor funds

- 57. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 57, and therefore denies same.
- 58. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 58, and therefore denies same.

Simo's geologist reports

- 59. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 59, and therefore denies same.
- 60. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 60, and therefore denies same.
- 61. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 61, and therefore denies same.
- 62. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 62, and therefore denies same.
- 63. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 63, and therefore denies same.

BOG sales staff and commissions

- 64. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 64, and therefore denies same.
- 65. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 65, and therefore denies same.
- 66. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 66, and therefore denies same.

Faulkner misappropriated BOG investor funds

- 67. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 67, and therefore denies same.
- 68. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 68, and therefore denies same.
- 69. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 69, and therefore denies same.
- 70. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 70, and therefore denies same.
- 71. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 71, and therefore denies same.

Transition from BOG to BECC and Crude

- 72. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 72, and therefore denies same.
- 73. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 73, and therefore denies same.
 - 74. BECC denies the allegations of Paragraph 74.
- 75. BECC admits the allegations of the first sentence of Paragraph 75, but denies any and all remaining allegations therein.
- 76. BECC admits the allegations of the first sentence of Paragraph 76, but denies any and all remaining allegations therein.

`Faulkner starts up Crude

77. BECC lacks sufficient knowledge or information to form a belief about the truth of

Paragraph 77, and therefore denies same.

- 78. BECC denies the allegations of the first sentence of Paragraph 78. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 78, and therefore denies same.
 - 79. BECC admits the allegations of Paragraph 79.
- 80. BECC denies the allegations of the first and third sentences of Paragraph 80. BECC admits the allegation set forth in the second sentence of Paragraph 31.
 - 81. BECC denies the allegations of Paragraph 81.
 - 82. BECC denies the allegations of Paragraph 82.
- 83. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 83, and therefore denies same.
 - 84. BECC denies the allegations of Paragraph 84.
- 85. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 85, and therefore denies same.
- 86. BECC denies the allegations of the second sentence of Paragraph 82. BECC lacks sufficient knowledge or information to form a belief about the truth of the remainder of Paragraph 86, and therefore denies same.

Crude's misrepresentation to investors

- 87. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 87, and therefore denies same.
- 88. BECC denies the allegations of the third and fourth sentences of Paragraph 88. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 88, and therefore denies same.

- 89. BECC denies the allegations of the first sentence of Paragraph 89. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 89, and therefore denies same.
- 90. BECC denies the allegations of the third sentence of Paragraph 90. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 90, and therefore denies same.
- 91. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 91, and therefore denies same.
- 92. BECC denies the allegations of the second sentence of Paragraph 92. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 92, and therefore denies same.
- 93. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 93, and therefore denies same.
- 94. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 94, and therefore denies same.

Faulkner misappropriated investor funds through BECC

- 95. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 95, and therefore denies same.
- 96. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 96, and therefore denies same.
- 97. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 97, and therefore denies same.
 - 98. BECC lacks sufficient knowledge or information to form a belief about the truth of

Paragraph 98, and therefore denies same.

- 99. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 99, and therefore denies same.
- 100. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 100, and therefore denies same.
- 101. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 101, and therefore denies same.

BECC's misrepresentations

- 102. BECC denies the allegations of Paragraph 102.
- 103. BECC denies the allegations of Paragraph 103.
- 104. BECC denies the allegations of Paragraph 104.
- 105. BECC denies the allegations of Paragraph 105.
- 106. BECC denies the allegations of Paragraph 106.
- 107. BECC denies the allegations of Paragraph 107.
- 108. BECC denies the allegations of Paragraph 108.
- 109. BECC denies the allegations of Paragraph 109.
- 110. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 110, and therefore denies same.
 - 111. BECC denies the allegations of Paragraph 111.
 - 112. BECC denies the allegations of Paragraph 112.
 - 113. BECC denies the allegations of Paragraph 113.
 - 114. BECC denies the allegations of Paragraph 114.
 - 115. BECC denies the allegations of Paragraph 115.

116. BECC admits the allegations of Paragraph 116.

Misrepresentation and lies to auditors

117. BECC denies the allegations of Paragraph 117.

Relationship between BECC and Crude

- 118. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 118, and therefore denies same.
- 119. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 119, and therefore denies same.

BECC's use of turnkey deals

- 120. BECC denies the allegations of Paragraph 120.
- 121. BECC denies the allegations of Paragraph 121.

Representations about Faulkner's expense reimbursements

- 122. BECC admits the allegations of Paragraph 122.
- 123. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 123, and therefore denies same.

Faulkner manipulated the market in BECC's stock by "marking the close"

- 124. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 124, and therefore denies same.
- 125. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 125, and therefore denies same.
- 126. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 126, and therefore denies same.
 - 127. BECC lacks sufficient knowledge or information to form a belief about the truth

of Paragraph 127, and therefore denies same.

- 128. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 128, and therefore denies same.
- 129. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 129, and therefore denies same.
- 130. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 130, and therefore denies same.
- 131. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 131, and therefore denies same.
- 132. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 132, and therefore denies same.
- 133. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 133, and therefore denies same.

Transition from Crude to Patriot

- 134. BECC denies the allegations of the first sentence of Paragraph 134. Otherwise, BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 134, and therefore denies same.
- 135. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 135, and therefore denies same.
 - 136. BECC denies the allegations of Paragraph 136.
 - 137. BECC denies the allegations of Paragraph 137.
- 138. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 138, and therefore denies same.

- 139. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 139, and therefore denies same.
- 140. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 140, and therefore denies same.
 - 141. BECC denies the allegations in the Paragraph 141.
 - 142. BECC denies the allegations in the Paragraph 142.
- 143. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 143, and therefore denies same.
- 144. BECC lacks sufficient knowledge or information to form a belief about the truth of the first sentence of Paragraph 144, and therefore denies same. Otherwise, BECC denies the second sentence of Paragraph 144.
- 145. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 145, and therefore denies same.

FIRST CLAIM FOR RELIEF

- 146. BECC has previously answered above all allegations in Paragraphs 1 through 145, and continues to deny same unless specifically admitted in any single allegation.
- 147. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 147, and therefore denies same.
- 148. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 148, and therefore denies same.
- 149. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 148, and therefore denies same.
 - 150. BECC lacks sufficient knowledge or information to form a belief about the truth

of Paragraph 150, and therefore denies same.

151. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 151, and therefore denies same.

SECOND CLAIM FOR RELIEF

- 152. BECC has previously answered above all allegations in Paragraphs 1 through 145, and continues to deny same unless specifically admitted in any single allegation.
 - 153. BECC denies the allegations of Paragraph 153.
- 154. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 154, and therefore denies same.
 - 155. BECC denies the allegations of Paragraph 155.
- 156. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 156, and therefore denies same.
 - 157. BECC denies the allegations of Paragraph 157.
- 158. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 158, and therefore denies same.
- 159. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 159, and therefore denies same.

THIRD CLAIM FOR RELIEF

- 160. BECC has previously answered above all allegations in Paragraphs 1 through 145, and continues to deny same unless specifically admitted in any single allegation.
- 161. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 161, and therefore denies same.
 - 162. BECC lacks sufficient knowledge or information to form a belief about the truth

of Paragraph 162, and therefore denies same.

FOURTH CLAIM FOR RELIEF

- 163. BECC has previously answered above all allegations in Paragraphs 1 through 145, and continues to deny same unless specifically admitted in any single allegation.
 - 164. BECC denies the allegations of Paragraph 164.
 - 165. BECC denies the allegations of Paragraph 165.
- 166. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 166, and therefore denies same.
- 167. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 167, and therefore denies same.

FIFTH CLAIM FOR RELIEF

- 168. BECC has previously answered above all allegations in Paragraphs 1 through 145, and continues to deny same unless specifically admitted in any single allegation.
 - 169. BECC denies the allegations of Paragraph 169.
 - 170. BECC denies the allegations of Paragraph 170.
- 171. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 171, and therefore denies same.
- 172. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 172, and therefore denies same.
- 173. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 173, and therefore denies same.
- 174. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 174, and therefore denies same.

SIXTH CLAIM FOR RELIEF

- 175. BECC has previously answered above all allegations in Paragraphs 1 through 145, and continues to deny same unless specifically admitted in any single allegation.
- 176. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 176, and therefore denies same.
- 177. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 177, and therefore denies same.

SEVENTH CLAIM FOR RELIEF

- 178. BECC has previously answered above all allegations in Paragraphs 1 through 145, and continues to deny same unless specifically admitted in any single allegation.
- 179. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 179, and therefore denies same.
- 180. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 180, and therefore denies same.
- 181. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 181, and therefore denies same.

EIGHTH CLAIM FOR RELIEF

- 182. BECC has previously answered above all allegations in Paragraphs 1 through 145, and continues to deny same unless specifically admitted in any single allegation.
- 183. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 183, and therefore denies same.
- 184. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 184, and therefore denies same.

- 185. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 185, and therefore denies same.
- 186. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 186, and therefore denies same.

NINTH CLAIM FOR RELIEF

- 187. BECC has previously answered above all allegations in Paragraphs 1 through 145, and continues to deny same unless specifically admitted in any single allegation.
 - 188. BECC denies the allegations of Paragraph 188.
 - 189. BECC denies the allegations of Paragraph 189.
 - 190. BECC denies the allegations of Paragraph 190.
 - 191. BECC denies the allegations of Paragraph 191.

TENTH CLAIM FOR RELIEF

- 192. BECC has previously answered above all allegations in Paragraphs 1 through 145, and continues to deny same unless specifically admitted in any single allegation.
- 193. BECC, during the relevant time period of this First Amended Complaint, admits to the allegations of Paragraph 193.
 - 194. BECC denies the allegations of Paragraph 194.
- 195. There are no factual allegation or legal conclusions stated in Paragraph 195; therefore no answer is required. However, to the extent an answer is required BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 195, and therefore denies same.

- 196. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 196, and therefore denies same.
- 197. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 197, and therefore denies same.
- 198. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 198, and therefore denies same.
- 199. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 199, and therefore denies same.

ELEVENTH CLAIM FOR RELIEF

- 200. BECC has previously answered above all allegations in Paragraphs 1 through 145, and continues to deny same unless specifically admitted in any single allegation.
- 201. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 201, and therefore denies same.
- 202. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 202, and therefore denies same.
- 203. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 203, and therefore denies same.
- 204. BECC lacks sufficient knowledge or information to form a belief about the truth of Paragraph 204, and therefore denies same.

DEFENSES & AFFIRMATIVE DEFENSES

Defendant sets forth below its affirmative defenses. By setting forth these affirmative defenses, Defendant does not assume the burden of proving any fact, issue, or element of a cause of action where such burden properly belongs to Plaintiff. Moreover, nothing stated herein is

intended or shall be construed as an acknowledgement that any particular issue or subject matter necessarily is relevant to Plaintiff's allegations.

FIRST AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by the applicable statute of limitations.

PRAYER

WHEREFORE, and for these reasons, Defendant BECC asks the Court to enter final judgment against Plaintiff Securities and Exchange Commission as follows:

- 1. that Plaintiff take nothing by way of its First Amended Complaint;
- 2. that Plaintiff's First Amended Complaint be dismissed with prejudice and judgment entered in favor of Defendant BECC;
- 3. that Defendant BECC be awarded its costs, disbursements and attorneys' fees in this action; and
 - 4. for such other and further relief as this Court deems just and proper.

DATED: November 29, 2016

Respectfully submitted,

/s/ Carole Faulkner
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Colleyville, TX 76034
Telephone: 817. 879.1377

Facsimile: 469. 675.6404 Attorney for Defendant Breitling

Energy Corporation

CERTIFICATE OF SERVICE

I hereby certify that on November 29, 2016, I electronically filed the foregoing Entry of Appearance via the Court's CM/ECF filing system, which will send a notice of electronic filing to all CM/ECF participants. I further certify that I served a true and correct copy of the

foregoing document and the notice of electronic filing via UPS and electronic mail on all non-CM/ECF parties and/or their counsel as detailed below:

| B. David Fraser Scott Mascianica Securities and Exchange Commission Burnett Plaza, Suite 1900 801 Cherry St., Unit #18 Fort Worth, TX 76102 FraserB@sec.gov Attorney for Plaintiff Securities Exchange Commission | Joseph Simo c/o Chance Leigh, named executor 304 Sutton Place Georgetown, Texas 78628 Defendant Pro Se |
|---|---|
| Alex More (requested email service only) Carrington Coleman 901 Main St., Suite 5500 Dallas, TX 75202 amore@CCSB.com Counsel for Defendant Gilbert R. Steedley | Michael P. Gibson Burleson, Pate & Gibson, LLP Founders Square 900 Jackson St., Suite 330 Dallas, TX 75202 mgibson@bp-g.com Counsel for Beth C. Hankins |
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/s/ Carole Faulkner Attorney